

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2749 – SB 2913

April 23, 2012

SUMMARY OF AMENDMENTS (017138, 013969): Deletes all language after the enacting clause. Authorizes the court to order a person convicted of violating implied consent law to operate a motor vehicle that is equipped with a functioning ignition interlock device (IID) with or without geographic restrictions. Prohibits the use of state funds to provide such person with an IID, except in cases which the court determines an individual would lose his or her job as a result of not being able to obtain an IID.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – \$21,400/General Fund
Increase State Expenditures – \$160,000/Interlock Assistance Fund

Increase Local Revenue – \$9,000

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue – Up to \$21,400/General Fund
Increase State Expenditures – Exceeds \$7,600/Interlock Assistance Fund

Increase Local Revenue – Up to \$9,000

Assumptions applied to amendments:

- The court will still be authorized to continue current orders for use of restricted licenses.
- The number of additional ignition interlock devices with non-restricted licenses that the court will order to be used as a direct result of this bill as amended cannot be reasonably determined. The following assumptions represent a maximum for all implied consent offenders.
- According to the Department of Safety (DOS), updating policies and procedures for the requirements for issuance of a restricted license will not have a significant fiscal impact on state expenditures.
- Tenn. Code Ann. § 55-10-403 requires the use of an IID for implied consent violations if the person had a conviction of implied consent, underage driving while impaired, the open container law, or reckless driving with DUI within the last five years.
- Under current law, every DUI offender is required to pay an ignition interlock fee of \$40. Implied consent violators are not required to pay this fee; therefore, no impact to fee revenue allocated to the Interlock Assistance Fund (IAF).

- Any increase in the number of restricted license applicants due to the deletion of geographic restrictions will be offset by a decrease due to those who decline to comply with the requirement to use an IID. Any net impact will be not significant.
- According to DOS, 788 restricted licenses were issued to implied consent violators. Approximately 157 implied consent violators are required to obtain an IID under current law.
- Up to an additional 631 (788 total – 157 currently required) implied consent offenders could be required to use an IID; however, 20 percent of any such offenders will be declared indigent and not eligible for assistance under this bill as amended.
- The maximum cost of installing and maintaining an IID for 12 months as required by current law is \$1,270.
- The amount of taxable sales from the sale and lease of IID equipment will be an amount up to \$641,096 (631 offenders x 80% non-indigent x \$1,270). Approximately 50 percent of these taxable sales will occur in the absence of this bill.
- Pursuant to Tenn. Code Ann. § 67-6-103(a)(3)(A), local governments receive 4.5925 percent of state sales tax revenue as state-shared sales tax revenue.
- The current state sales tax rate is 7.0 percent; the average local option sales tax rate is estimated to be 2.5 percent.
- The net recurring increase in state revenue is estimated to be an amount up to \$21,408 $[(\$641,096 \times 50.0\% \times 7.0\%) - (\$641,096 \times 50.0\% \times 7.0\% \times 4.5925\%)]$.
- The total recurring increase in local revenue is estimated to be an amount up to \$9,044 $[(\$641,096 \times 50.0\% \times 2.5\%) + (\$641,096 \times 50.0\% \times 7.0\% \times 4.5925\%)]$.
- Up to 126 (631 x 20%) indigent offenders.
- The precise number of additional defendants that the court will require the state pay for installation and maintenance of an IID cannot be reasonably determined.
- At least five percent (or 6) of additional indigent offenders will be determined to need an IID each year to prevent job loss.
- An increase in recurring state expenditures from the Interlock Assistance Fund exceeding \$7,620 ($\$1,270 \times 6$ offenders).
- Collection of fine revenue began in July 1, 2010. Enforcement of interlock requirements began in January of 2011. Based on information provided by the District Attorney's Conference, the current balance of the Ignition Interlock Fund is approximately \$286,000; total expenditures from the fund have been approximately \$4,000 for indigent offenders.
- According to the Department of Safety, any increase in workload for certifying installers and monitoring offenders can be handled within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/jaw